

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

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## Central Intelligence Bulletin

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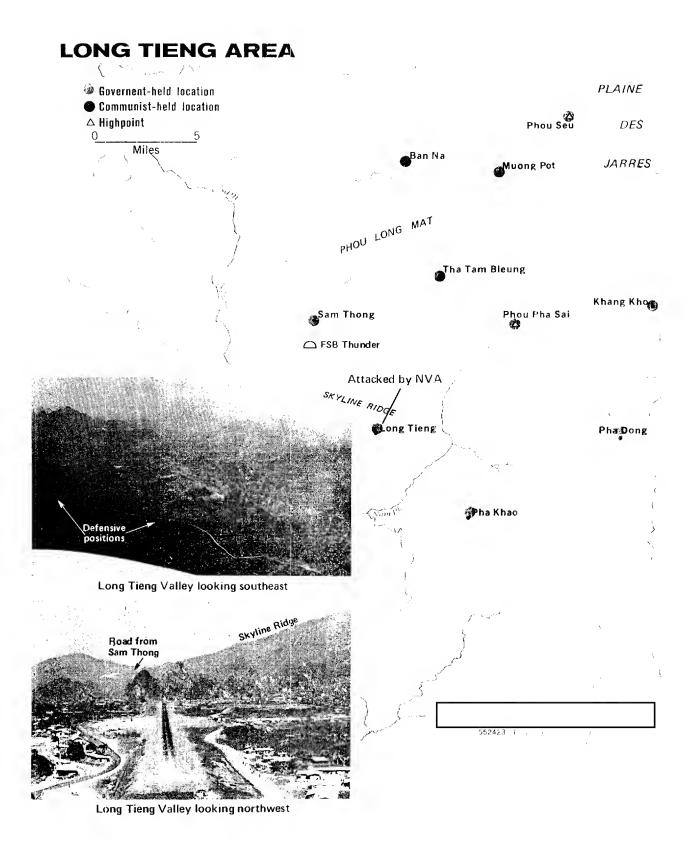
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#### SECRET



LAOS: The situation in the Long Tieng area remains critical, but irregular troops are still holding on.

North Vietnamese troops in the Long Tieng Valley are confined to the south slope of Skyline Ridge and to a few pockets in the village of Long Tieng. A direct attack in force has not yet developed, although this could occur tonight.

The five fire support bases--four in the valley and one just east of Sam Thong--provided support to government forces throughout 12 January. Irregular units performed well both in the valley and along its western ridges. Air support was extensive and a major factor in keeping enemy units at bay.

Much will now depend upon the North Vietnamese ability to follow up their thrusts\_of 11-12 January with a major new attack.

VIETNAM: The Communists are making an unusual effort to spread the impression that a "massive" spring military campaign is being planned in South Vietnam to coincide with President Nixon's trip to Peking.

The latest comment on the alleged Communist intentions reportedly comes from a member of the North Vietnamese delegation to the Paris talks. How much of these forecasts of a big offensive is rhetoric and how much is solid intention is still far from clear. The volume and openness of Communist discussion of their military intentions is puzzling, since they usually work hard to conceal even the outlines of their plans.

Although Communist cadre are being told down the line that a "general offensive," including some attacks on urban areas, is scheduled for the next few weeks or months, there is as yet little evidence of hard planning for an all-out effort. There have been a few reports suggesting that detailed orders for major efforts against various targets are being formulated and issued, but other information suggests that in many units detailed planning for the coming spring effort mainly involves economy-offorce tactics tailored to existing Communist weaknesses.

Moreover, there is no substantial evidence of the resupply and redeployment activities that normally precede a maximum military effort, except in the border areas of Military Regions (MR) 1 and 2, where the Communists seem to be preparing for substantial offensive action in the spring. Some activity of this type also has been reported recently in several provinces around Saigon, in the western delta, and in southern MR 1. Nonetheless, there does not yet appear to have been sufficient preparation for a sustained offensive in these areas.

BANGLADESH: Mujibur Rahman is moving quickly to consolidate his position.

Mujib has issued orders declaring a parliamentary system with himself as prime minister. The parliament, which is also to function as a constituent assembly, will be made up of persons elected in December 1970 to the national legislature and to the East Pakistan provincial assembly. The overwhelming majority of these legislators are members of Mujib's Awami League. Abu Syed Chowdhury, a jurist and educator who represented Bangladesh in London and at the UN, has been sworn in as President, a largely ceremonial post. Mujib's new cabinet consists primarily of the same members as the previous one.

Mujib's action may bring about a slight reduction in Soviet and Indian influence in Dacca.

Tajuddin Ahmad, who lost his position as prime minister, is considered one of Moscow's and New Delhi's firmest allies in the Awami League. Ahmad is also viewed as more left-leaning than most other Awami League leaders who, like Mujib, are regarded as middle-of-the-road. There has been no indication yet of what future role Mujib now has in mind for Ahmad. Infighting among the Awami League factions and other parties is likely to continue in any event.

Mujib's enormous prestige and popularity should enable him to act more decisively and independently than his lieutenants. Nevertheless, his heavy reliance on Indian assistance in maintaining internal security and in reviving Bangladesh's prostrate economy, added to his emphatically expressed gratitude to Mrs. Gandhi's government for its role in the independence struggle, assures New Delhi strong influence in Dacca for some time to come.

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MALTA-UK-NATO: NATO has set the stage for another offer to Prime Minister Mintoff, but London's willingness to cooperate in this effort to conciliate Mintoff is unclear.

The NATO permanent representatives, meeting as the North Atlantic Council (NAC), yesterday favored telling Mintoff by Saturday that if negotiations with the British are resumed and lead to a satisfactory agreement, NATO would offer a payment of over \$31 million annually. The US offer to add about \$2 million to the previous NATO package has been matched by like pledges from Italy and West Germany. It appears that no further substantial amounts will be added to the \$31-million package. The French still refuse to participate, but Paris may add to the \$18.2 million in bilateral aid available this far to Malta.

The NAC also agreed to a UK proposal that renewed negotiations be conditional upon Malta dropping its deadline of 15 January and agreeing not to harass the British withdrawal. In the event that the UK completes its withdrawal, it seems unlikely that the British would return in substantial numbers, if at all.

bondon is "led up" with Mintoll's actions and
believes that there is only a remote chance of
reaching an accord even if Valletta's financial
demands are met,
Moreover, the UK feels that Mintoff
is unreliable and would ultimately abrogate any new
agreement. The British, who are adamantly opposed
to increasing their share of the UK-NATO offer, are
concerned that giving in under pressure to Mintoff
would have unfavorable implications in terms of the
cost of UK bases in Singapore and Cyprus.

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PAKISTAN-AFGHANISTAN: President Bhutto evidently scored a significant psychological gain during his visit to Kabul on 11 January.

The Afghans, chronically suspicious of Pakistan, apparently think that Bhutto's surprise visit indicates that he is more interested than any of his predecessors in building close relations with Kabul.

Less than a month ago, King Zahir told the US ambassador that Bhutto was an "unbalanced man" and a "pathological liar." Bhutto apparently was able to change this impression, however, and the Afghans now report that he has matured. Nevertheless, there are many Afghans who remember his past activities unfavorably and find his current posture suspect.

The content of the talks was probably less important for both parties than the atmospherics. Neither Bhutto nor the King raised any specific issues, although Bhutto said he would do everything possible to meet Afghanistan's "long-standing concerns" and the King promised to give Bhutto ample time to deal with Pakistan's domestic problems. Both may have been referring indirectly to the problem of the Pushtu-speaking area of Pakistan for which the Afghans have long advocated independence or at least a considerable degree of autonomy.

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YUGOSLAVIA: The stage is set for a show trial of republic nationalists in Croatia.

Eleven persons were arrested in Zagreb yesterday in the biggest roundup of Croatian nationalists since the opening days of the purge in mid-December. All are accused of collaborating with radical emigres and foreign intelligence services to separate Croatia from Yugoslavia. They are members of Matica Hrvatska, the strongly nationalist Croatian cultural organization that played a direct role in bringing about a situation that obliged Tito to intervene in Croatia. The new leadership in Zagreb, anxious to prove its loyalty to Tito, appears intent on bringing the detainees to trial.

From the outset of the purge last month, there have been hints in the Yugoslav press that some foreign intelligence organizations—those of the US have been mentioned specifically—have conspired to set Croatian nationalists against Belgrade, but this is the first indication that anyone may be held to account on the charge. Yugoslav press treatment of the case clearly suggests that the

charge really is aimed at the Soviets.

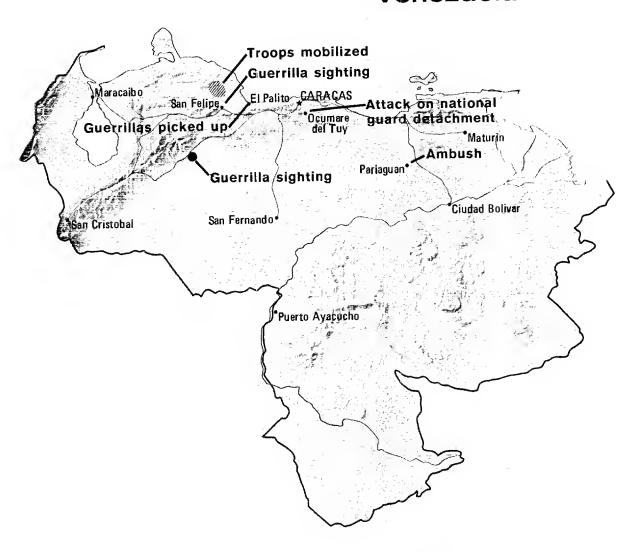
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USSR: The Soviets have sold five YAK-40 short-haul transport aircraft to a West German firm.

A small airline operating primarily in northern Germany bought the planes, configured for 27 passengers, for about \$1.2 million each. Eight YAK-40s reportedly have been sold in Germany and seven more are under option. Maintenance facilities have been constructed at Lubeck in northern Germany, thus overcoming a major obstacle to past Soviet aircraft sales efforts in Western Europe.

West Germany, France, Italy, and Sweden are expected to give airworthiness certification to the YAK-40 this year. The UK also may join this group. A small Italian airline that ordered two of these aircraft in 1969 has received one, but because it has not been certified it is being used as a demonstration model only. A French firm also is reported to have purchased two planes, and a YAK-40 is being assembled in Colombia prior to being demonstrated in several South American countries.

#### Venezuela



 VENEZUELA: An upsurge in guerrilla attacks and sightings has embarrassed the Caldera government.

The ruling Social Christians, who have been planning to stand on their "pacification" record in next year's general election, have professed minimal concern about recent warnings of an impending guerrilla campaign. Government and military insistence that recent terrorist acts are isolated events, however, is being ignored by the sensationalist press.

While no significant security problem has developed, the rapid succession of incidents in scattered areas shows some reinvigoration among the generally ineffective divided guerrillas. In response, the military has mobilized troops in several parts of the country, and embassy and public buildings are under heavier than usual protection.

Security forces have continued to make inroads against the small terrorist bands and are probably correct in their claim to have the insurgency situation under control. The timing of this new guerrilla effort, however, is particularly damaging. Interior Minister Fernandez, who has assured the press repeatedly that his pacification policy is a thoroughgoing success, is on the verge of launching his presidential campaign. There is some danger that the revival of security policy as a partisan issue, with the consequent heavy publicity for the guerrillas, might further encourage the insurgents

in their evident wish to resume activity.

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BURMA: General Ne Win reportedly is giving serious thought to relinquishing his powers as prime minister.

The long-ailing general has periodically expressed weariness over the burdens of office, but his low regard for potential successors among his military colleagues has been a factor encouraging him to carry on. Any consideration that Ne Win may be giving to a less active role no doubt is self-initiated, and there is no indication that he is under pressure from any group within the military.

The current rumors of Ne Win's retirement have been fed by reports of the break-up of his marriage. One report claims that Ne Win, accusing his wife of infidelity, divorced her on 10 January. Serious marital difficulties could impel Ne Win, who has been emotionally dependent on his wife, to seek a less active government role.

Ne Win's intentions are obscured by the mystery surrounding Burma's shadowy and reclusive leaders, but his marital and health problems could spur the unpredictable general into a snap decision.

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UN: Many UN members favor the idea of meetings outside New York, but the decision in principle to convene a special Security Council meeting in Africa in the next few weeks poses difficult problems.

Guinea and Zambia, for example, are bidding for the site of the Security Council session, presumably to draw additional attention to their special grievances vis-a-vis the white minority governments. New Security Council member Panama has offered to host a meeting next year in Latin America, hinting that the future of the canal would be a suitable topic.

Many members have reservations about a change of venue but were unwilling to offend the Africans; hence the consensus decision to go to Africa. Somali delegate Farah, who as Security Council president during January may chair the unprecedented meeting, skillfully worked to secure the decision at this time. The Chinese and the Soviets gave him strong support, and have indicated they would prefer Conakry or Lusaka as the site. The Western members prefer Addis Ababa, which has adequate facilities and is the UN's African headquarters.

Apart from budgetary and physical arrangements, which are yet to be ironed out, it will be difficult to satisfy the conflicting objectives of the Council members. The Africans probably will seek to focus on what they regard as the key issues--Rhodesia, South-West Africa, apartheid, and the Portuguese territories--and may not be satisfied with non-condemnatory resolutions adopted by consensus. On the other hand, any Western use of the veto would further Soviet and Chinese propaganda among black Africans.

#### NOTES

PHILIPPINES: Manila hopes to increase sharply rice purchases from Peking, as well as others, to help meet its growing rice shortage. According to Agriculture Secretary Tanco, talks with Peking are expected to start soon and, if successful, China could become a major rice supplier to the Philip-In 1971 China supplied only a small portion of total rice imports, which amounted to about 375,000 tons. Because of expected crop shortfalls and the need to rebuild depleted stocks, Manila is considering importing well in excess of a half million tons of rice this year. This would make the Philippines one of the world's largest rice importing countries in contrast to Manila's earlier expectations that it would be self-sufficient in rice by the early 1970s.

UN-BANGLADESH: Senior secretariat officials have established new guidelines for UN assistance to an estimated 30 million persons in Bangladesh. Relief is to be provided without implying recognition of Bangladesh. The UN presence in India is to be phased out in favor of a Dacca-based program of relief, rehabilitation, and resettlement. The UN staff in Bangladesh may be changed considerably in deference to local concern that earlier efforts—and personnel—were tied too closely to the Pakistani Government.

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IRELAND: Irish and European Community negotiators have not resolved differences in sugar production quotas; Ireland is offering 170,000 tons, while the EC's "final" offer is 150,000 tons. Ireland raised sugar production last year to 170,000 tons from 147,000 in 1970 in anticipation of EC en-Refinery capacity also has been expanded retry. Irish farmers had planned to increase procently. duction of profitable beet sugar to 240,000 tons. An adverse settlement would cost several thousand jobs and would leave excess refinery capacity adding to pressures on Prime Minister Lynch, who is already concerned over high unemployment. Ireland still hopes to sign the EC accession treaty on 22 January.

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